

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE: § Chapter 11
EASTERN LIVESTOCK CO., LLC § Case No. 10-93904-BHL-11
Debtor. § Hon. Basil H. Lorch III

**NOTICE OF THE REMOVAL AND REFERRAL OF
THE TEXAS INTERPLEADER ACTION TO BANKRUPTCY COURT**

FRIONA INDUSTRIES, L.P. (“Friona”) files this Notice of the Removal and Referral of the Texas Interpleader Action to Bankruptcy Court as follows:

1. On or about November 11, 2010, Friona filed a Complaint in the Nature of an Interpleader, under Case No. 2:10-cv-00266-J, styled *Friona Industries, L.P. vs. Eastern Livestock Co., Inc., et al*, in the United States District Court for the Northern District of Texas, Amarillo Division (the “Texas Interpleader Action”). Thereafter, on November 19, 2010, Cactus Growers, Inc. (“Cactus”) intervened in the Texas Interpleader Action and filed a Complaint in the Nature of an Interpleader, and on November 30, 2010, J&F Oklahoma Holdings, Inc. (“J&F”) intervened in the Texas Interpleader Action and filed a Complaint in the Nature of an Interpleader. The District Court in the Texas Interpleader Action ordered the District Clerk for the Northern District of Texas (the “District Clerk”) to accept funds tendered by Friona, Cactus, and J&F as interpleader funds (the “Interpleader Funds”). The District Clerk now holds the Interpleader Funds, plus accrued interest, subject to order of the court having jurisdiction of the Texas Interpleader Action.

2. On December 28, 2010, the District Court in the Texas Interpleader Action signed an order that stayed the Texas Interpleader Action until further Order, and counsel of record were directed to inform the District Court if a lift stay order was entered by this Court. On March 1,

2011, an Agreed Entry was filed in this bankruptcy in which the necessary parties stipulated to limited relief from the automatic stay to allow the removal and transfer of the Texas Interpleader Action to this Court. On March 9, 2011, this Court entered an order approving the Agreed Entry and modifying the automatic stay to allow the removal and transfer of the Texas Interpleader Action.

3. On March 22, 2011, the Texas Interpleader Action was removed to the United States Bankruptcy Court for the Northern District of Texas, Amarillo Division. *See Exhibit "A."* Such removal created a new adversary proceeding, under Case No. 11:02008, styled *Friona Industries, L.P. vs. Eastern Livestock Co., Inc., et al*, in the United States Bankruptcy Court for the Northern District of Texas, Amarillo Division (the "Texas AP"). In conjunction with the removal of the Texas Interpleader Action, a motion to transfer venue of the Texas AP was filed. Such motion is set on the Amarillo Bankruptcy Court's April 14, 2011 docket. See Exhibit "B."

4. This Notice is filed to apprise this Court of the current procedural posture of the Texas Interpleader Action and the Texas AP.

DATED this 28th day of March, 2011.

Respectfully submitted,

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/s/ John Massouh
John Massouh

ATTORNEYS FOR FRIONA INDUSTRIES, L.P.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served via electronic and/or U.S. Mail this 28th day of March 2011 upon all parties entitled to such notice as provided by the ECF filing system.

/s/ John Massouh

John Massouh

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